



**MARICOPA COUNTY ATTORNEY'S OFFICE  
INVESTIGATIONS DIVISION**



**SUPPLEMENTAL REPORT FORM**

**Report / Case #:** MCAO 2012-000013

**Tracking #:** 273884

**Victim:** State of Arizona

**Defendant:** Horne/Winn

**Charge(s):** Fraud Schemes

**Date:** July 16, 2012

**Detective:** Mark Stribling *MS*

**Attorney:** Vicki Kratovil

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**Keppel original notes**

On 7-15-12 I met with Jim Keppel for the purpose of obtaining his original notes related to this ongoing investigation. These are the notes that Mr. Keppel read from during his interview with FBI Agents Grehoski and Mason on 2-3-12 and at the time copies of the notes were obtained. Mr. Keppel told me there are additional notes which he had added since his interview with the FBI.

On 7-16-12 I gave Keppel's original notes to Agent Grehoski.

See attached copies for complete details.

7/28 TH, RB, AR, MH, JK(?) - TH office(?)

Discussion re possible leak & whether MF & GR were involved. TH said if they were, he would probably fire them. When asked about KW he said: "I can't fire her. She can really hurt me." TH also said if KW is to be interviewed, he should be the one to do it.

9/6

MH received administration form with me for future employee interviews.

9/26 AR, MH, RB & JK

MH updated RB re KW's activities, funding. RB said to proceed w/ other interviews (excluding KW).

9/? - late Sept.

Alex was in my office discussing some matters. I asked her why TH would say KW would hurt him. She said it's because of the "independent expenditure acct" that KW managed during the campaign for AG. CC & KW were not getting along, so TH put KW in charge of handling the acct.

9/29 MH, AR met w/ JK & I told them what Aler told me. (JK's office)

9/29 TH, RB, AP, AR & JK met in AR's office re another matter. TH/RB asked for an update on the internal. AR advised re the Abby/Algen interview. TH again said he wouldn't interview KW. TH left. I asked why RB thought he couldn't fire KW. He said it regarded an allegation that LD had made about a false grant application. RB said it was checked out & found to be unfounded.

10/6 TH, RB, AR, MH & JK met - TH's office re status. TH said again that if KW were to be interviewed, he should be the one to do it.

12/7 RB, AR, MH & JK - RB's office.

MH to discuss MH memo. RB asked for copy to show TH. RB states TH doesn't want MH to interview KW. RB says he'll talk to TH & decide the next steps.

12/9 TH, RB, AR, MH @ JK - TH office

Re status of future actions. TH told MH to interview SC in person. MH asked again to interview KW. TH said he didn't want to upset her. MH said she would not "interview" her. TH agreed but told her to wait so he could think about it more.

12/12 RB @ JK - RB's office

RB asked whether the internal investigation records could be destroyed/removed from MH's computer. I told him that couldn't be done since they could be considered PRs "destroying" them would be a crime if they are PRs. RB said what MH would say about it. I told him she would not do it. He asked if the report could be considered "draft". I said they weren't drafts, but were case updates. He asked whether putting them in a personnel file (KW's) would protect the records. I told him I did not think so. RB said we would discuss further.

12/13 RB, AR, MH & JK - RB's office

RB said we needed to end the investigation, that it appears KW is involved, but "we all know nothing will happen". He said he wanted to deal. He told MH not to write anything re her interviews the day before - He said he wanted to talk to me about our conversation on 12/12 & perhaps we would meet w/ the SGO AAGs who handle PRRs.

12/13 RB called me ~~to~~ to talk to me & said he didn't want to contact the SGO/AAGs. He didn't want more people knowing about the investigation. He said he would find out from someone else what could be done or could not be done re MH's report.

1/19 MH requests me to set mtg w/ TH, RB, AR, MH & me to discuss status. Mtg was set for 1/19 @ 8:30.

1/10 TH called me about the mtg & asked what it was about. I told him. He said he's checking w/ Dave Cole (SGO) "on something". TH asked to move the mtg to 9:30. He said he "thought the mtg was suspended until he could get some answers."

11/10 <sup>1218</sup> RB sent me an email concerning the mtg. said he would talk to me in the morning.

11/11 0921 RB sent email concerning the mtg for 1/11.

1/25 After EXO mtg, RB asked to talk to me. We went to his office where he told me that TH had not yet made the decision re switching LM into the LEL position. He said TH was concerned that the LEL had to work w/ KW & wasn't sure how that would work w/ LM. TH is going to check with some of his sources.

Afternoon: LM told me that a source beside the Office told her action would be taken against TH in the near future re the IEA. She wouldn't disclose her source. I advised MH.

LM came to my office upset - told MH. She said she didn't want to be inkurred because a lot of people would get hurt. I told her if she were inkurred she needs to just tell the truth. She said "per burner".

1/25 contd

She mentioned she had been to an American Israel Public Affairs ~~Committee~~ Committee (AIPAC) dinner recently. TH was there & Mark Goldman was sitting next to him. CM was @ different table & didn't over hear any conversation.

2/7/12

col AB w/ DC. MH called - TH told LB he wanted to talk to her after she finished an interview. (John McDonald). LB didn't want to meet w/ TH & left the office & met w/ FBI (dmm). MH said LB was offered for her job.

Later in the afternoon MM/LB called me. LB asked me if she was doing anything against Office policy by cooperating w/ the FBI. I told her, as a LEO, she had a duty to report illegal activity & to tell the truth. That it would not violate any OP. TH might think so according to his standards. I told her she was doing the right thing.



2/13 - 9:00 approx.

LM returned from her trip to Rockport w/ CC. I asked LM (in my office) if there's any news. She said CC kept saying TH had done nothing wrong. She didn't know why the feds were interviewing people. LM said she told CC that whatever happens, she needs to tell the truth. ~~LM~~

I notified MH of the conversation. She suggested that I tell MM when I did around lunch time by phone.

2/15 around 8:00 AR called me in my office,  
told me TH had decided not to appear in  
court at the time of the FB plea on  
2/21. She said he will still do PC.  
I told her he should avoid going off  
on a political speech about campaign  
fraud, legislation etc. She said:  
"Oh no, that would be too dangerous  
for him to go there." I replied this to MM  
on morning of 2/16.

2/16 LM came into my office & said CC had  
called her the night before. CC said KW  
contacted her & wants to meet with her  
to talk & suggested leave. CC told  
LM she didn't want to do it & had been  
told not to "deserve the FBI investigation"  
in the office. LM told CC that, if she  
meets w/ KW, to assure it would be good.  
I called MM & advised her of the  
forgoing.

2/17 I was in my office talking to MH.  
I received call from Frances Wright.  
She said she had a tip that TH  
was under investigation for possible  
campaign finance violations ~~relating~~  
~~to an independent expenditure~~ and  
it involved several members of the Office  
that he had brought in after the election.

2/22 Steve Anglin told me he had  
need a TC from TH asking him what  
kind of investigation MH was. TH asked  
if SD knew of any "lesbian relationship"  
between MH & Felicia Potellini and  
other questions re MH's political leaning.  
TH told SD he would be getting a call  
from Debra. SD got the call & met  
w/ Debra who asked add'l questions  
re MH. I thanked SD & told him  
there are some things happening that  
I can't discuss, but that he did the right  
thing in reporting the info.

Called MH, met her & told her about the SD  
info. Also called MM & told her. Later  
gave MM SD's cell phone #.

2/23 2:00 1:1 w/ RB-regular mtg.  
Before we began w/ admin subjects, he  
said he had a GI question. He  
asked if someone present a GI sales  
can they discuss what they testify about.  
I told him no "cited 13-2812" &  
said "it's a class / misl". He asked if  
he could discuss the fact they need a  
sub. I said: "within their ally".  
He asked "why"? I explained some of  
the reasons for the law especially the  
fact the testimony may involve an  
ongoing CR in a, if it went further  
security requirements, people who testify  
become from the targets of  
the investigation. We then moved to  
other admin topics. I didn't ask any Qs.

3/1? AR tells me about CS/CL connection

3/21<sup>(2)</sup> Conf w/ AR/CL

3/22 Conf w/ TH/RB

3/26 RB tells me about AR

3/26 RB comes to my office & tells me about Ayres ~~etc~~ -

3/27 mts w/ RB re MIT atty letter - submitted my letter,

Mtg w/ Rubalcava & Johnson

3/20/12

3/1 CL told AB about the CJ conversation he had on 2/29

To whom he never letter about the departure of working w/ May.

Why?

CJ had learned May had relationship w/ FR campaign from previous memo.

Chuck came up. Told him I had had about his conversation w/ CL & wanted to know what precipitated it. He said he wasn't sure how much he should say because TH said yesterday he should have talked to Andy & me instead of Chuck going to CL. Said he couldn't say much more because it would say things that are going on in the office regarding certain people. He said he never asked CL for "clut" on May.

Cathy told him this about the Brady  
reporting issue: "he should have been  
notified". I told him I was also  
responsible for Brady issue. "So is TH."

Chuck said TH will talk to AH, &  
me & should have. Chuck left &  
a few minutes later came back in &  
said CH told him Meg had suspended  
him & she had said she couldn't  
wait for TH.

RB called & wants me to interview him. Said to be  
happy, I'm not upset, do anything - would think about it.  
I did so & asked Thursday. 3/26/12

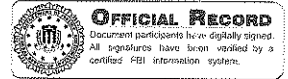
✓

Question: Was AR aware of FB Inv?

- Answers:
1. Initially aware there may be an issue.
  2. Officially made aware on 3/22/12
  3. After being int'd he's been made aware. He may be a wit-  
so can't discuss the inv. any further.

Called RB & told him what AR said.  
He called TH into his office & put him  
on speaker & had me repeat. I did.  
TH asked if I asked him if I kept him.  
I repeated AR's answer #3. TH said  
"Hm. OK thank, Jim" & call ended.





## FEDERAL BUREAU OF INVESTIGATION

Date of entry 07/18/2012

The following investigation was conducted by Special Agent (SA) Brian Grehoski on 07/16/2012:

SA Grehoski received James Keppel's original handwritten notes from Maricopa County Attorney's Office (MCAO) Commander Mark Stribling who had received them from Keppel on 07/15/2012. By way of background, Keppel had taken notes during his time as Arizona Attorney General's Office (AGO) Criminal Chief Division and referenced those notes during his FBI interview with SA Grehoski and SA Mervil C. Mason on 02/03/2012. The original notes have been placed into a 1A envelope to be included in the case file.

On 07/24/2012, SA Grehoski and Cmdr Stribling met with Keppel to clarify the content of the notes.

Below is a transcription of Keppel's notes:

(page 1)

7/28 TH, RB, AR, HG, JK(?) - TH Office(?)

Discussion re possible leak & whether MF & GR were involved. TH said if they were, he would probably fire them. When asked about KW he said: "I can't fire her. She can really hurt me" TH also said if KW is to be interviewed, he should be the one to do it.

9/6 MH reviewed admonition form with me for future employee interviews.

9/26 AR, MH, RB & JK

MH updated RB re KW's activities findings. RB said to proceed w/ other

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Investigation on 07/16/2012 at Phoenix, Arizona, United States (, Other (Receipt and transcription of handwritten notes))  
File # 194A-PX-87458 - 167 Date drafted 07/18/2012  
by GREHOSKI BRIAN

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Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 2 of 8

interviews (excluding KW).

9/? - late Sept.

AREz was in my office discussing some matters. I asked her why TH would say KW could hurt him. She said it's because of the "independent expenditure account" that KW managed during the campaign for AG. CC & KW were not getting along, so TH put KW in charge of handling the acct.

(page 2)

9/29 MH, AR met w/ JK & I told them what AREz told me. (JK's office)

9/29 TH, RB, AP, AR & JK meet in AR's office re another matter. TH/RB asked for an update on the internal. AR advised re the Alley/Flynn interviews. TH again said he wouldn't terminate KW. TH left. I asked why RB thought he couldn't fire KW. He said it regarded an allegation that LD had made about a false grant application. RB said it was checked out & found to be unfounded.

10/6 TH, RB, AR, MH & JK meet - TH office re status. TH said again that if KW were to be interviewed, he should be the one to do it.

12/7 RB, AR, MH & JK. RB's office.

Mtg to discuss MH memos. RB asked for copy to show TH. RB states TH doesn't want MH to interview KW. RB said he'll talk to TH & decide the next steps.

(page 3)

12/9 TH, RB, AR, MH & JK - TH office

MCAO003127

194A-PX-87458

Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 3 of 8

Re status & future actions. TH told MH to interview SC in Tucson. MH asked again to interview KW & TH said he didn't want to upset her. MH said she would not "interrogate" her. TH acquiesced but told her to wait so he could think about it more-

12/12 RB & JK - RB's office

RB asked whether the internal investigation records could be destroyed/removed from MH's computer. I told him that couldn't be done since they could be considered PRs & destroying them would be a crime if they were PRs. RB asked what MH would say about it. I told him she would not do it. He asked if the reports could be considered "drafts". I said they weren't drafts, but were case updates. He asked whether putting them in a personnel file (KW's) would protect the records. I told him I did not think so. RB said we would discuss further-

(page 4) RB, AR, MH & JK - RB's office

RB said we needed to end the investigation that it appears KW is involved, but "we all know nothing will happen." He said he wanted it closed. He told MH not to write anything re her interviews the day before - He said he wanted to talk to me about our conversation on 12/12 & perhaps we could meet w/ the SGO AAGS who handle PRRs.

12/13 RB called me or talked to me & said he didn't want to contact the SGO/AAGS. He didn't want more people knowing about the investigation. He said he would find out from someone else what could be done or could not be done re MH's report.

1/9 MH requests me to set mtg w/ TH, RB, AR MH & me to discuss status. Mtg was set for 1/11 @ 8:30.

1/10 TH called me about the mtg & asked what it was about. I told him. He said he's checking w/ Dave Cole (SGO) "on something." TH asked to move the mtg to 9:30. He said he "thought the inv. was suspended until he could get

MCAO003128

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Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 4 of 8

some answers."

(page 5)

1/10 1318 RB sent me an email canceling the mtg & said he would talk to me in the morning.

1/11 0921 RB sent email canceling the mtg for 1/11

1/25 After EXO Mtg, RB asked to talk to me. We went to his office where he told me that TH had not yet made the decision re switching LM into the LEL position. He said TH was concerned that the LEL had to work w/ KW & wasn't sure how that would work w/ LM. TH is going to check with some of his sources.

Afternoon : LM told me that a source outside the office told her action would be taken against TH in the near future re the IEA. She wouldn't disclose her source. I advised MH.

LM came to my office upset that I told MH. She said she didn't want to be interviewed because a lot of people would get hurt. I told her if she were interviewed she needed to just tell the truth. She said "poor Carmen."

(page 6)

1/25 cont'd

She mentioned she had been to an American Israel Public Affairs Committee (AIPAC) dinner recently. TH was there & Mark Goldman was sitting next to him. LM was @ different table & didn't overhear any conversation.

(page 7)

2/7/12

At AB w/ [triangle symbol]. MH called - TH told LB he wanted to talk to her after she finished our interview. John McDonald. LB didn't want to

MCAO003129

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Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 5 of 8

meet w/TH & left the office & met w/ FBI MM. MH said LB was afraid for her job.

Late in the afternoon MM/LB called me. LB asked me if she was doing anything against Office policy by cooperating w/ the FBI. I told her, as a LEO, she had a duty to report illegal activity & to tell the truth & that it would not violate any OP. TH might think so according to his stds. I told her she was doing the rt thing.

(page 8)

2/13 - 9:00 approx.

LM returned from her trip to Rocky Point w/CC. I asked LM (in my office) if there's any news. She said CC kept saying TH had done nothing wrong & she didn't know why the feds were interviewing people. LM said she told CC that whatever happens, she needs to tell the truth.

I notified MH of the conversation. She suggested that I tell MM which I did around lunch time by phone.

(page 9)

2/15 around 8:00 AR called me in my office. Told me TH had decided not to appear in court at the trial of the FB pleas on 2/21. She said he will still do PC. I told her he should avoid going off on a political speech about campaign fraud, legislation, etc. She said "Oh no, that would be too dangerous for him to go there." I reported this to MM on morning of 2/16.

2/16 LM came into my office & said CC had called her the night before. CC said KW contacted her & want to meet with her to talk & suggested lunch.

CC told LM she didn't want to do it & had been told not to "discuss the FBI investigation" in the office. LM told CC that if she meets w/ KW, to assume it would be taped. I called MM & advised him of the foregoing.

(page 10)

2/17 I was in my office talking to MH. I received a call from Yvonne Wingett. She said she had a tip that TH was under investigation for

MCAO003130

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Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 6 of 8

possible campaign finance violations and it involved several members of the office that he had brought in after the election.

2/22 Steve Duplissis told me he had rec'd a TC from TH asking him what kind of investigator MH was. TH asked if SD knew of any "lesbian relationship" between MH & Felicia Rotellini and other questions re MH's political leanings. TH told SD he would be getting a call from Debus. SD got the call & met w/ Debus who asked add'l questions re MH. I thanked SD & told him there are some things happening that I can't discuss, but that he did the right thing in reporting the info.

Called MH, met her & told her about the SD info. Also called MM & told him. Later gave MM SD's cell phone #.

(page 11)

2/23 2:00 1:1 w/ RB-regular mtg, before we began w/ admin subjects, he said he had a GJ question. He asked if someone received a GJ subp can they discuss what they testify about. I told him no & cited 13-2812 & said it's a class 1 misd. He asked if they could discuss the fact they rec'd a subp. I said "with their atty". He asked "why"? I explained some of the reasons for the law especially the fact that testimony may involve an ongoing CR inv & if it weren't for the secrecy requirement, people who testify could then warn the target(s) of the investigation. We then moved to other admin topics. I didn't ask any ?s.

(page 12)

3/? AR tells me about CJ/CL conversation

3/12(?) Conf w/ AR/CJ

3/22 Conf w/ TH/RB

3/26 RB tells me to int AR

MCAO003131

194A-PX-87458

Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 7 of 8

3/26 RB comes to my office & tells me about Dybus etc.

3/27 Mtg w/ RB re MH atty letter - submitted my letter.

(page 13)

Mtg w/ Rubalcava & Johnson 3/20/12

3/1 CL told AR about the CJ conversation he had on 2/29

To whomever it may concern letter about the difficulty of working w/ Meg.

Why?

CJ had learned Meg had relationship w/ FR campaign then previously known.

Chuck came up. Told him I had heard about his conversation w/ CL & wanted to know what precipitated it. He said he wasn't sure how much he should say because TH said yesterday he should have talked with Andy & me instead of Chuck going to CL. Said he couldn't say much more because it involved some things that are going on in the office regarding certain people. He said he never asked CL for "dirt" on Meg.

(page 14)

Andy told him this affects the Brady reporting issue & he should have been notified. I told him I was also responsible for Brady issue & so is TH.

Chuck said TH will talk to AH & me & should have. Chuck left & a few minutes later came back in & said CL told him Meg had supported Felecia & she had said she couldn't work for TH.

MCAO003132

194A-PX-87458

Continuation of FD-302 of James Keppel's handwritten notes, On 07/16/2012, Page 8 of 8

(page 15)

RB called & wants me to int AR. Said if he knew, probably wouldn't do anything - would think about it. I did so & asked Andy: 3/26/12

Question & was AR aware of FBI inv?

Answers 1. Previously aware this may be an issue.

2. Officially made aware on 3/22/12

3. After being int'd he's been made aware he may be a wit- [therefore symbol (i.e. 3 dots)] can't discuss the inv. any further.

Called RB & told him what AR said. He called TH into his office & put him on speaker & had me repeat. I did. TH asked if I asked him if Meg knew. I repeated ARs answer 3. TH "hmm. Ok thanks, Jim" & call ended.

MCAO003133



7/28 TH, RB, AR, MH, JK(?) - TH office(?)

Discussion re possible lead is whether MF & GR were involved. TH said if they were, he would probably fire them. When asked about KW he said: "I can't fire her. She can really hurt me." TH also said if KW is to be interviewed, he should be the one to do it.

9/6

MH reviewed administration form with me for future employee interviews.

9/26 AR, MH, RB & JK

MH updated RB re KW's scheduling findings. RB said to proceed w/ other interviews (excluding KW).

9/? - late Sept.

Afer was in my office discussing some matters. I asked her why TH would say KW could hurt him. She said it's because of the "independent expenditure acct" that KW managed during the campaign for HB. CC & KW were not sitting alone, so TH put KW in charge of handling the acct.

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He states "future actions". TH told MH to interview SC in Tucson. MH asked again to interview KW "TH said he didn't want to upset her. MH said she would not "interview" her. TH ~~agreed~~ but told her to wait so he could think about it more -

12/12 RB & JR - RB's office

RB asked whether the internal investigation records could be destroyed/released from MH's computer. I told him that could be done since they could be considered PRs & destroying them would be a crime if they are PRs. RB said what MH would say about it. I told him she would not do it. He asked if the report could be considered "draft". I said they weren't drafts, but were case updates. He asked whether putting them in a personnel file (KW's) would protect the records. I told him I did not think so. RB said we would discuss further -

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1/25 cont'd

She mentioned she had been to Car  
American Israel Public Affairs ~~Committee~~  
Committee (AIPAC) dinner recently. TH  
was there & Mark Goodman was sitting next  
to him. CM was @ different table &  
didn't over hear any conversation.

Δ

2/7/12

col AB w/ LC. MH called - TH told LB he wanted to talk to her after she finished an interview. (John McDonald). LB didn't want to meet w/ TH & left the office & met w/ FBI (AM). MH said LB was afraid for her job.

Later in the afternoon MH/LB called me. LB asked me if she was doing anything against Office policy by cooperating w/ the FBI. I told her, as a CEO, she had a duty to report illegal activity & to tell the truth. That it would not violate any OP. TH might think so according to his standards. I told her she was doing the right thing.

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I notified MH of the conversation. She suggested that I tell MM when I did around lunch time by phone.



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2/17 I was in my office talking to MH.  
I received call from Frances Wright.  
She said she had a tip that TH  
was under investigation for possible  
campaign finance violations ~~relating~~  
~~to an independent expenditure~~ and  
it involved several members of the Office  
that he had brought in after the election.

2/22 Steve Anglin told me he had  
rec'd a TC from TH asking him what  
kind of involvement MH was. TH asked  
if SD knew of any "lesbian relationship"  
between MH & Felicia Potolinski and  
other questions re MH's political leaning.  
TH told SD he would be getting a call  
from Debra. SD got the call & met  
w/ Debra who asked add'l questions  
re MH. I thanked SD & told him  
there are some things happening that  
I can't discuss, but that he did the right  
thing in reporting the info.

Called MH, met her & told her about the SD  
info. Also called MM & told her. Later  
gave MM SD's cell phone #.

2/23 2:00 1:1 w/ RB-regular mtg.  
Before we began w/ admin subjects, he  
asked he had a G & question. He  
asked if someone needed a G & sale  
can they discuss what they really want.  
I told him no "cited 13-2812" &  
said it's a law / rule. He asked if  
he could discuss the fact they need a  
sale. I said: "With their ally".  
He asked "why"? I explained some of  
the reasons for the law especially the  
fact the primary may involve an  
ongoing CD in a & if it went to the  
second requirement, people who really  
beared from the targets of  
the investigation. We then moved to  
other admin topics. I didn't ask ag 35.]

3/7 AR tells me about CS/CL conversations  
3/24<sup>(3)</sup> Conf w/ AR/CL

3/22 Conf w/ TH/RB

3/26 RB tells me about AR

3/26 RB comes to my office & tells me  
about Dykes etc.

3/27 mtg w/ RB re MH atty letter - submitted  
my letter.

Mtg w/ Rubbleora & <sup>C</sup>Johnson.

3/20/12

3/1 CL tried to ask about the CJ conversation he had on 2/29

To whom he concern letter about the dispute of Wright/May.

Why?

CJ had learned they had relationship w/ FR Europe \* from previous mission.

Chuck came up. Told him I had had about his conversation w/ CL & wanted to know what precipitated it. He said he wasn't sure how much he should say because TH said yesterday he disputed how talked to Andy & me instead of Chuck going to CL. Said he couldn't say much more because it would some things that are going on in the Office regarding certain people. He said he never asked CL for "clut" on May.

Cindy told him this about the Brady  
reporting issue & he should have been  
notified. I told him I was also  
responsible for Brady issue & so is TH.

Chuck said TH will talk to AH &  
me & stepped home. Chuck left &  
a few minutes later came back in &  
said CJ told him Meg had stepped  
stepped & she had said she couldn't  
work for TH.

[RB called & wants me to int AL. Said no  
way, I'm not going to do anything - would think about it.  
I did so & asked Randy. 3/26/12

✓

Question: Was AL aware of FB / int?

- Answers:
1. Obviously aware then [may be an issue.]
  2. Officially made aware on 3/27/12
  3. After [May] int'd he's been made  
aware he may be a wit-  
[Do not discuss the int. any  
further]

Called RB & told him what AL said.  
He called TH into his office & put him  
on speaker & had me repeat. I did.  
TH asked if I could have if [keep him]  
I repeated AL's answer #3. TH said  
"Hmm". OK thank, Jim. [call ended.]

Filing and Security

UNCLASSIFIED

Primary Case: 194A-PX-87458

Case Title: (U) DARK RAINBOW - SENSITIVE  
INVESTIGATIVE MATTER DARK  
RAINBOW  
SENSITIVE INVESTIGATIVE  
MATTER

Category: Full Investigation  
Initiated: 12/07/2011

Details

Document Title: (U) James Keppel's handwritten notes  
Drafted Date: 07/18/2012  
Type of Activity: Other  
Methods: Receipt and transcription of handwritten notes  
Investigation On: 07/16/2012  
At: Phoenix, Arizona, United States  
Details: (U)

The following investigation was conducted by Special Agent (SA) Brian Grehoski on 07/16/2012:

SA Grehoski received James Keppel's original handwritten notes from Maricopa County Attorney's Office (MCAO) Commander Mark Stribling who had received them from Keppel on 07/15/2012. By way of background, Keppel had taken notes during his time as Arizona Attorney General's Office (AGO) Criminal Chief Division and referenced those notes during his FBI interview with SA Grehoski and SA Mervil C. Mason on 02/03/2012. The original notes have been placed into a 1A envelope to be included in the case file.

Below is a transcription of Keppel's notes:

(page 1)  
7/28 TH, RB, AR, HG, JK(?) - TH Office(?)  
Discussion re possible leak & whether MF & GR were involved. TH said if they were, he would probably fire them. When asked about KW he said: "I can't fire her. She can really hurt me" TH also said if KW is to be interviewed, he should be the one to do it.

9/6 MH reviewed admonition form with me for future employee interviews.

9/26 AR, MH, RB & JK  
MH updated RB re KW's activities findings. RB said to proceed w/ other interviews (excluding KW).

9/? - late Sept.  
AREZ was in my office discussing some matters. I asked her why TH would say KW could hurt him. She said it's because of the "independent expenditure account" that KW managed during the campaign for AG. CC & KW were not getting along, so TH put KW in charge of handling the acct.

(page 2)  
9/29 MH, AR met w/ JK & I told them what AREZ told me. (JK's office)  
9/29 TH, RB, AP, AR & JK meet in AR's office. TH/RE asked for an update on the internal. AR advised re the Alley/Flynn interviews. TH again said he wouldn't terminate KW. TH left. I asked why RE thought he couldn't fire KW. He said it regarded an allegation that LD had made about a false grant application. RB said it was checked out & found to be unfounded.

10/6 TH, RB, AR, MH & JK meet - TH office re status. TH said again that if KW were to be interviewed, he should be the one to do it.

12/7 RB, AR, MH & JK. RB's office.

Mtg to discuss MH memos. RB asked for copy to show TH. RB states TH doesn't want MH to interview KW. RB said he'll talk to TH & decide the next steps.

(page 3)  
12/9 TH, RB, AR, MH & JK - TH office  
Re status & future actions. TH told MH to interview SC in Tucson. MH asked again to interview KW & TH said he didn't want to upset her. MH said she would not "interrogate" her. TH acquiesced but told her to wait so he could think about it more.

12/12 RB & JK - RB's office  
RB asked whether the internal investigation records could be destroyed/removed from MH's computer. I told him that couldn't be done since they could be considered PRs & destroying them would be a crime if they were PRs. RB asked what MH would say about it. I told him she would not do it. He asked if the reports could be considered "drafts". I said they weren't drafts, but were case updates. He asked whether putting them in a personnel file (KW's) would protect the records. I told him I did not think so. RB said we would discuss further.

(page 4) RB, AR, MH & JK - RB's office  
RB said we needed to end the investigation that it appears KW is involved, but "we all know nothing will happen." He said he wanted it closed. He told MH not to write anything re her interviews the day

MCAO003149



before - He said he wanted to talk to me about our conversation on 12/12 & perhaps we could meet w/ the SGO AAGS who handle PRRs.

12/13 RB called me & talked to me & said he didn't want to contact the SGO/AAGS. He didn't want more people knowing about the investigation. He said he would find out from someone else what could be done or could not be done re MH's report.

1/9 MH requests me to set mtg w/ TH, RB, AR MH & me to discuss status. Mtg was set for 1/11 @ 8:30.

1/10 TH called me about the mtg & asked what it was about. I told him. He said he's checking w/ Dave Cole (SGO) "on something." TH asked to move the mtg to 9:30. He said he "thought the inv. was suspended until he could get ~~227~~ answers." *some*

(page 5)

1/10 1318 RB sent me an email canceling the mtg & said he would talk to me in the morning.

1/11 0921 RB sent email canceling the mtg for 1/11

1/25 After EXO Mtg, RB asked to talk to me. We went to his office where he told me that TH had not yet made the decision re switching LM into the LEL position. He said TH was concerned that the LEL had to work w/ KW & wasn't sure how that would work w/ LM. TH is going to check with some of his sources.

Afternoon : LM told me that a source outside the office told her action would be taken against TH in the near future re the IEA. She wouldn't disclose her source. I advised MH.

LM came to my office upset that I told MH. She said she didn't want to be interviewed because a lot of people would get hurt. I told her if she were interviewed she needed to just tell the truth. She said "poor Carmen."

(page 6)

1/25 cont'd

She mentioned she had been to ~~227~~ *an* American Israel Public Affairs Committee (AIPAC) dinner recently. TH was there & Mark Goldman was sitting next to him. LM was @ different table & didn't overhear any conversation.

(page 7)

2/7/12

At AB w/ [triangle symbol]. MH called - TH told LB he wanted to talk to her after she finished our interview. John McDonald. LB didn't want to meet w/ TH & left the office & met w/ FBI MM. MH said LB was afraid for her job.

Late in the afternoon MM/LB called me. LB asked me if she was doing anything against Office policy by cooperating w/ the FBI. I told her, as a LEO, she had a duty to report illegal activity & to tell the truth & that it would not violate any OP. TH might think so according to his stds. I told her she was doing the rt thing.

(page 8)

2/13 - 9:00 approx.

LM returned from her trip to Rocky Point w/CC. I asked LM (in my office) if there's any news. She said CC kept saying TH had done nothing wrong & she didn't know why the feds were interviewing people. LM said she told CC that whatever happens, she needs to tell the truth. I notified MH of the conversation. She suggested that I tell MM which I did around lunch time by phone.

(page 9)

2/15 around 8:00 AR called me in my office. *pieces* Told me TH had decided not to appear in court at the trial of the FB ~~case~~ on 2/21. She said he will still do PC. I told her he should avoid going off on a political speech about campaign fraud, legislation, etc. She said "Oh no, that would be too dangerous for him to go there." I reported this to MM on morning of 2/16.

2/16 LM came into my office & said CC had called her the night before.

CC said KW contacted her & want to meet with her to talk & suggested ~~227~~ *been*. CC told LM she didn't want to do it & had ~~227~~ told not to "discuss the FBI investigation" in the office. LM told CC that if she meets w/ KW, to assume it would be ~~227~~ *taped*. I called MM & advised him of the foregoing.

(page 10)

2/17 I was in my office talking to MH. I received a call from Yvonne Wingett. She said she had a tip that TH was under investigation for possible campaign finance violations and it involved several members of the office that he had brought in after the election.

2/22 Steve Duplissis told me he had rec'd a TC from TH asking him what ~~2222~~ MH was. TH asked if SD knew of any "lesbian relationship" between MH & Felicia Rotellini and other questions re MH's political ~~227~~ *kind of investigator*. TH told SD he would be getting a call from Debus. SD got the call & met w/ Debus who asked add'l questions re MH. I thanked SD & told him there are some things happening that I can't discuss, but that he did the right thing in reporting the info. *leanings*  
Called MH, met her & told her about the SD info. Also called MM & told him. Later gave MM SD's cell phone #.

(page 11)

2/23 2:00 1:1 w/ RB-regular mtg, before we began w/ ~~227~~ *admin* subjects, he said he had a GJ question. He asked if someone received a GJ subp can they

MCAO003150



7/28 TH, RB, AR, MH, JK(?) - TH office(?)

Discussion re possible leak & whether MF & GR were involved. TH said if they were, he would probably fire them. When asked about KW he said: "I can't fire her. She can really hurt me." TH also said if KW is to be interviewed, he should be the one to do it.

9/6

MH received admonition form with me for future employee interviews.

9/26 AR, MH, RB & JK

MH updated RB re KW's activities, findings. RB said to proceed w/ other interviews (excluding KW).

9/? - late Sept.

Alex was in my office discussing some matters. I asked her why TH would say KW could hurt him. She said it's because of the "independent expenditure acct" that KW managed during the campaign for AG. CC & KW were not getting along, so TH put KW in charge of handling the acct.

9/29 MH, AR met w/ JK & I told them what Aler told me. (JK's office)

9/29 TH, RB, AP, AR & JK met in AR's office re another matter. TH/RB asked for an update on the internal. AR advised re the Abby/Alper interview. TH again said he wouldn't interview KW. TH left. I asked why RB thought he couldn't interview KW. He said it regarded an allegation that LD had made about a false grant application. RB said it was checked out & seemed to be unfounded.

10/6 TH, RB, AR, MH & JK met - TH's office re status. TH said again that if KW were to be interviewed, he should be the one to do it.

12/7 RB, AR, MH & JK - RB's office.

Mtg to discuss MH memo. RB asked for copy to show TH. RB states TH doesn't want MH to interview KW. RB says he'll talk to TH & decide the next steps.

12/9 TH, RB, AR, MH @ JK - TH office

Re status of future actions. TH told MH to interview SC in Texas. MH asked again to interview KW. TH said he didn't want to upset her. MH said she would not "interview" her. TH agreed but told her to wait so he could think about it more.

12/12 RB @ JK - RB's office

RB asked whether the internal investigation records could be destroyed/removed from MH's computer. I told him that couldn't be done since they could be considered PRs. Destroying them would be a crime if they are PRs. RB said what MH would say about it. I told him she would not do it. He asked if the report could be considered "draft". I said they weren't drafts, but were case updates. He asked whether putting them in a personnel file (KW's) would protect the records. I told him I did not think so. RB said we would discuss further.

12/13 RB, AR, MH & JK - RB's office -

RB said we needed to end the investigation that it appears KW is involved, but "we all know nothing will happen". He said he wanted to deal. He told MH not to write anything re her interview's the day before - He said he wanted to talk to me about our conversation on 12/12 & perhaps we would meet w/ the SGO AAGS who handle PRRs.

12/13 RB called me & talked to me & said he didn't want to contact the SGO/AAGS. He didn't want more people knowing about the investigation. He said he would find out from someone else what could be done or could not be done re MH's report.

1/19 MH requests me to set mtg w/ TH, RB, AR MH & me to discuss status. Mtg was set for 1/11 @ 8:30.

1/10 TH called me about the mtg & asked what it was about. I told him. He said he's checking w/ Dave Cole (SGO) "on something". TH asked to move the mtg to 9:30. He said he "thought the mtg. was suspended until he could get some answers."

11/10<sup>1818</sup> RB sent me an email concerning the mtg. said he would talk to me in the morning.

11/11 0921 RB sent email concerning the mtg for 11/11.

11/25 After EXO mtg, RB asked to talk to me. We went to his office where he told me that TH had not yet made the decision re switching LM into the LEL position. He said TH was concerned that the LEL had to work w/ KW & wasn't sure how that would work w/ LM. TH is going to check with some of his sources.

Afternoon: LM told me that a source beside the Office told her action would be taken against TH in the near future re the IEA. She wouldn't disclose the source I advised MH.

LM came to my office upset that I told MH. She said she didn't want to be in the middle because a lot of people would get hurt. I told her if she were in the middle she needs to just tell the truth. She said "per burner".

1/25 could

She mentioned she had been to an American Israel Public Affairs ~~Committee~~ Committee (AIPAC) dinner recently. TH was there & Mark Goldman was sitting next to him. CM was @ different table & didn't over hear any conversation.



2/7/12

Got AB w/ AC. MH called - TH told LB he wanted to talk to her after she finished an interview. (John McDonald). LB didn't want to meet w/ TH & left the office & met w/ FBI (dm). MH said LB was afraid for her job.

Later in the afternoon MM/LB called me. LB asked me if she was doing anything against Office policy by cooperating w/ the FBI. I told her, as a CEO, she had a duty to report illegal activity & to tell the truth. That it would not violate any OP. TH might think so according to his story. I told her she was doing the right thing.

2/13 - 9:00 approx.

LM returned from her trip to Rockport w/ CC. I asked LM (in my office) if there's any news. She said CC kept saying TH had done nothing wrong. She didn't know why the feds were interviewing people. LM said she told CC that whatever happens, she needs to tell the truth. ~~LM~~

I notified MH of the conversation. She suggested that I tell MM when I did around lunch time by phone.

2/15 around 8:00 AL called me in my office.  
Told me TH had decided not to appear in  
court at the time of the FB plea on  
2/21. He said he will still do PC.  
I told her to should avoid going off  
on a political speech about campaign  
fraud, legislation etc. She said:  
"Oh no, that would be too dangerous  
for him to go there." I reported this to MM  
on morning of 2/16.

2/16 LM came into my office & said CC had  
called her the night before. CC said KW  
contacted her & wants to meet with her  
to talk & suggested divorce. CC told  
LM she didn't want to do it & had been  
told not to "deserve the FBI investigation"  
in the office. LM told CC that, if she  
meets w/ KW, to assure it would be good.  
I called MM & advised him of the  
proceeding.

2/17 I was in my office talking to MH.  
I received call from Frances Wright.  
She said she had a tip that TH  
was under investigation for possible  
campaign finance violations ~~relating~~  
~~to an unauthorized expenditure~~ and  
it involved several members of the Office  
that he had brought in after the election.

2/22 Steve Anglin told me he had  
rec'd a TC from TH asking him what  
kind of investigation MH was. TH asked  
if SD knew of any "lesbian relationship"  
between MH & Felicia Potellini and  
other questions re MH's political leanings.  
TH told SD he would be getting a call  
from DeLoe. SD got the call & met  
w/ DeLoe who asked odd questions  
re MH. I thanked SD & told him  
there are some things happening that  
I can't discuss, but that he did the right  
thing in reporting the info.

Called MH, met her & told her about the SD  
info. Also called MM & told her. Later  
gave MM SD's cell phone #.

2/23 2:00 1:1 w/ RB-regular mtg.  
before we began w/ adm subjects, he  
said he had a GI question. He  
asked if someone needed a GI soap  
can to discuss what they really want.  
I told him no "cited 13-2812" &  
said it's a class / mix. He asked if  
he could discuss the fact they need a  
soap. I said: "With their ally".  
He asked "why"? I explained some of  
the reasons for the law especially the  
fact the primary may involve an  
ongoing CR in a if it went further  
security requirements, people who really  
beet from the targets of  
the investigation. We then moved to  
other adm topics. I didn't ask any 3.

3/17 AR tells me about CS/CL connection

3/21<sup>(2)</sup> Conf w/ AR/CL

3/22 Conf w/ TH/RB

3/26 RB tells me about AR

3/26 RB comes to my office & tells me about Dylan etc -

3/27 mtg w/ RB re MIT atty letter - submit my letter.

Mtg w/ Radda & <sup>C</sup>Johansen.

3/20/12

3/1 CL told AB about the CJ conversation he had on 2/29

To whom he concern letter about the departure of working w/ May.

Why?

CJ had learned May had relationship w/ FBI campaign from previous person.

Chuck came up. Told him I had had about his conversation w/ CL & wanted to know what precipitated it. He said he wasn't sure how much he should say because TH said yesterday he should have talked to Andy & me instead of Chuck going to CL. Said he couldn't say much more because it involved some things that are going on in the Office regarding certain people. He said he never asked CL for "clut" on May.

Cindy told him this about the Brady  
reporting issue & he should have been  
notified. I told him I was also  
responsible for Brady issue & so is TH.

Chuck said TH will talk to AH &  
me & should have. Chuck left &  
a few minutes later came back in &  
said CH told him Meg had suspended,  
said & she had said she couldn't  
wait for TH.



RB called & wants me to int AR. Said "One  
man, I'm not going to do anything - would think about it."  
I did so. OK. Thanks. 3/26/12

✓

Question: Was AR aware of FB inv?

- Answers:
1. Previously aware there may be an issue.
  2. Officially made aware on 3/22/12.
  3. After being int'd he's been made aware. He may be a witness.  
So can't discuss the inv. any further.

Called RB & told him what AR said.  
He called TH into his office & put him  
on speaker & had me repeat. I did.  
TH asked if I could have a copy of the  
report. I reported AR's answer #3. TH said  
"Hmm". OK. Thanks, Teri. Call ended.